

ORDINANCE NO. 14697

FILE OF CITY COUNCIL

BILL NO. 18 - 2009

MARCH 18, 2009

AN ORDINANCE

An Ordinance providing for the expenditure of certain Neighborhood Stabilization Program (NSP) Grant monies received by the City of Allentown under Title III of the Housing and Economic Recovery Act of 2008 (HERA) and approved by the United States Department of Housing and Urban Development. These funds are provided as an adjunct to the Community Development Block Grant Program Funds.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That the Mayor is authorized to expend Two Million One Hundred Thirteen Thousand Four Hundred Fifty Six Dollars (\$2,113,456) in Neighborhood Stabilization Program (NSP) funds for housing and community development programs pursuant to the approved amendment to the City's Consolidated Plan, appropriate Federal Law and United States Department of Housing and Urban Development (HUD) regulations.

SECTION TWO: That the Mayor is directed to establish and maintain any and all accounts and records as are necessary and to make such transfers as may be required to expend and account for said NSP Funds in accordance with the approved Consolidated Plan amendment, appropriate Federal law, and HUD regulations.

SECTION THREE: That this act of the Council of the City of Allentown is undertaken pursuant to Act 292 of 1974 in accordance with the opinion of the Pennsylvania Attorney General (Opinion 72-75) which holds that CDBG funds (NSP funds are an adjunct of CDBG funds), are General Municipal Funds for the purpose of Act 292 of 1974.

SECTION FOUR: That, in accordance with the Action Plan amendment the Council of the City of Allentown authorizes the appropriation of Two Million One Hundred Thirteen Thousand Four Hundred Fifty-six (\$2,113,456) Dollars in the following manner:

NSP Program


700-01-7406-0001-40	Redevelopment Authority of the City of Allentown	\$2, 013,456
700-01-7406-0001-86	General City Charges	<u>100,000</u>

SECTION FIVE: That this Ordinance take effect ten (10) days after final passage.

SECTION SIX: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

	Yea	Nay
Michael Donovan	X	
Jeanette Eichenwald	X	
Julio A. Guridy	X	
David M. Howells, Sr.	X	
Tony Phillips	X	
Peter G. Schweyer	X	
Michael D'Amore, President	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council and signed by His Honor the Mayor on the 12th day of March, 2009.


CITY CLERK

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

The bill is originating from the Department of Community and Economic Development. The Initiative comes from the Neighborhood Stabilization Program (NSP) grant funding the City received from the United States Department of Housing and Urban Development.

- **Summary and Facts of the Bill**

This bill establishes the accounts for the expenditure of \$2,113,456 in NSP grant funds.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City's Vision/Mission/Priorities**

The City received NSP grant funds and submitted a plan for the use of the funds to HUD. HUD approved the plan and now it is time to establish the accounts to expend the grants. The funds will be used to acquire vacant, abandoned and foreclosed properties in the Old Allentown Historic District.

This project is consistent with the City of Allentown's Consolidated Plan for the period July 1, 2005 to June 30, 2010.

The City of Allentown proposes to use its NSP funding to acquire properties that have been foreclosed upon or abandoned, which are located in the Old Allentown Historic District in center city Allentown. These properties then will be rehabilitated and re-used as housing for low/moderate/middle income families. The City of Allentown will contract with the Redevelopment Authority of the City of Allentown (RACA) to be the entity responsible for the acquisition of all properties. RACA will make the properties available for rehabilitation through a competitive Request for Proposal Process. The selected developers will sell the improved properties to home buyers with incomes up to 120% of the area median income (AMI). As required, twenty five percent of the grant funds will be used to acquire properties which will be rehabilitated and sold to homeowners whose incomes does not exceed 50% of AMI. NSP funds will also include housing counseling and downpayment and closing cost assistance for households between 80-120% of AMI, if applicable.

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

This grant will add \$2,113, 456 to the City's ability to acquire vacant, abandoned and foreclosed upon properties.

Funding Sources – Please include the following in your explanation:

- **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

This funding comes from the United States Department of Housing and Urban Development and was authorized by Title III of the Housing and Economic Recovery Act of 2008 (HERA).

- **Priority status/Deadlines, if any**

Priority status, once the accounts are established, we can begin the program. There is a short window for expenditure of NSP funds. All funds must be expended within 18 months of receiving an executed contract from HUD.

- **Why should Council unanimously support this bill?**

This increases the City's ability to revitalize a center city neighborhood, where considerable dollars are being spent improving this neighborhood.